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MINISTRY OF LAW (Legislative Department)

New Delhi, the 30th December, 1960/Pausa 9, 1882 (Saka)

The following Act of Parliament received the assent of the President on the 29th December, 1960, and is hereby published for general information:—

THE INDUSTRIAL FINANCE CORPORATION (AMENDMENT) ACT, 1960.

No. 66 OF 1960

[29th December, 1960]

An Act further to amend the Industrial Finance Corporation Act, 1948

BE it enacted by Parliament in the Eleventh Year of the Republic of India as follows:—

1. This Act may be called the Industrial Finance Corporation Short title. (Amendment) Act, 1960.

of 1948. 2. In section 2 of the Industrial Finance Corporation Act, 1948 Amendment of section 2. (hereinafter referred to as the principal Act), in clause (c), for the words "in the manufacture or processing of goods", the words "in the manufacture, preservation or processing of goods" shall be substituted.

3. In section 4 of the principal Act, after sub-section (7), the Amendment of section 4. following sub-section shall be inserted, namely:—

‘(8) In this section the expression “insurance companies” or “insurance company” includes the Life Insurance Corporation of India established under section 3 of the Life Insurance Corporation Act, 1956.’.

31 of 1956.

Amendment
of section
11.

4. In section 11 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:—

“(4) Directors shall be paid such fees as may be prescribed for attending the meetings of the Board and, if they are members of the Central Committee or any other Committee appointed by the Corporation, for attending meetings of such Committee:

Provided that nothing in this sub-section shall apply to the Chairman or to any other Director who is a servant of the Government.”.

Amendment
of section
23.

5. In section 23 of the principal Act,—

(1) for sub-section (1), the following sub-section shall be substituted, namely:—

“(1) The Corporation shall, subject to the provisions of this Act, be authorised to carry on and transact the following kinds of business, namely:—

(a) guaranteeing, on such terms and conditions as may be agreed upon,—

(i) loans raised by industrial concerns which are repayable within a period not exceeding twenty-five years, and are floated in the public market;

(ii) loans raised by industrial concerns from scheduled banks or State Co-operative Banks;

(b) guaranteeing, on such terms and conditions as may be agreed upon, deferred payments due from any industrial concern—

(i) in connection with its import of capital goods from outside India; or

(ii) in connection with its purchase of capital goods within India:

Provided that no guarantee under sub-clause (i) shall be given without the prior approval of the Central Government;

(c) guaranteeing, on such terms and conditions as may be agreed upon, loans raised from, or credit arrangements made with, any bank or financial institution in any country outside India by industrial concerns in foreign currency:

Provided that no such guarantee shall be given without the prior approval of the Central Government;

(d) underwriting the issue of stock, shares, bonds or debentures by industrial concerns;

(e) acting as agent for the Central Government or, with its approval, for the International Bank for Reconstruction and Development in the transaction of any business with an industrial concern in respect of loans or advances granted, or debentures subscribed, by either of them;

(f) subscribing to the stock or shares of any industrial concern;

(g) receiving in consideration of the services mentioned in clauses (a) to (f), such commission as may be agreed upon;

(h) retaining as part of its assets any stock, shares, bonds or debentures which it may have to take up in fulfilment of its underwriting liabilities, so however that it disposes of the stock, shares, bonds or debentures so acquired as early as practicable but in no case, the stocks, shares, bonds or debentures so acquired shall be retained beyond a period of seven years from the date of such acquisition, except with the permission of the Central Government;

(i) granting loans or advances to, or subscribing to debentures of, industrial concerns, repayable within a period not exceeding twenty-five years from the date on which they are granted or subscribed to, as the case may be:

Provided that nothing contained in this clause shall be deemed to preclude the Corporation from granting loans or advances to, or subscribing to debentures of, an industrial concern, which may at the option of the Corporation be convertible into stock or shares of that concern within the period the loan, advance or debenture is repayable; and

(j) generally, the doing of all such matters and things as may be incidental to or consequential upon the exercise of its powers or the discharge of its duties under this Act.”;

(2) in sub-section (2), for the words, brackets, letters and figure “clauses (a) and (e) of sub-section (1)”, the words, brackets, letters figure “clauses (a), (b), (c) and (i) of sub-section (1)” shall be substituted.

Amendment
of section
24.

6. In section 24 of the principal Act,—

(1) for the words, brackets, letters and figure “clauses (a) and (e) of sub-section (1)”, the words, brackets, letters and figure “clauses (a) and (i) of sub-section (1)” shall be substituted;

(2) for the proviso, the following proviso shall be substituted, namely:—

“Provided that the aforesaid limit of one crore of rupees may be exceeded with the prior approval of the Central Government.”.

Amendment
of section
26.

7. In section 26 of the principal Act, clause (b) and the proviso shall be omitted.

Amendment
of section
42.

8. Section 42 of the principal Act shall be re-numbered as sub-section (1) of that section and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

“(2) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and, if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.”.

R. C. S. SARKAR, Secy.